



# Department of Commerce

Innovation is in our nature.

## 2011-2013 Youth Recreational Facilities (YRF) Grant Guidelines

### COMPETITIVE GRANT PROGRAMS:

- Building for the Arts ■
- Building Communities Fund ■
- Youth Recreational Facilities ■

**Up to \$800,000** for nonresidential facilities providing youth (K-12 age) with recreation opportunities integrated with social and/or educational services

**As much as 25 percent state match** of eligible project costs

**Application Deadline Thursday, May 13, 2010 at 5 p.m.**

**Grant application workshops:**  
**Tuesday, April 20, 2010 in Spokane and**  
**Wednesday, April 21, 2010 in Seattle**  
(see back page for details)

**Join our listserv:**  
<http://listserv.wa.gov/archives/capital-programs.html>

### Commerce Capital Programs

P.O. Box 42525  
Olympia, WA 98504-2525  
(360) 725-3075  
[caprograms@commerce.wa.gov](mailto:caprograms@commerce.wa.gov)

[www.commerce.wa.gov/CapitalPrograms](http://www.commerce.wa.gov/CapitalPrograms)



**STATE OF WASHINGTON**  
**DEPARTMENT OF COMMERCE**  
*906 Columbia St. SW • PO Box 42525 • Olympia, Washington 98504-2525 • (360)725-3075*

Dear Reader:

This is the fourth grant cycle for the Youth Recreational Facilities (YRF) program. Those of you who are familiar with our other competitive grant programs will notice many commonalities. However, YRF has a somewhat narrower focus: to provide matching grants to nonresidential youth recreational facilities that include a supporting social service or educational component. It is our hope that, with state support, these facilities can become a positive influence on the lives of many more of Washington's young people.

The advisory committee that ranks YRF grant applications is familiar with the budgetary and management pressures faced by today's nonprofits. That's why we strive to keep the application process as streamlined and user-friendly as possible. Before submitting an application I'd strongly encourage you to join our listserv, attend a grant application workshop, and discuss your project with our staff (listed on Page 3). We look forward to learning about your project.

With Best Regards,

A handwritten signature in black ink, appearing to read "M. Aarthun".

Daniel Aarthun, Manager  
Commerce Capital Programs

PS: If you are unsure about whether to apply for a YRF grant, be sure to contact us. We may be able to suggest creative ways to align your goals with our rules and procedures.

## Acquisition Projects

All acquisition projects must provide a current (within 6-9 months) appraisal or county assessment of the site to be purchased.

## Property Liens

All capital projects that involve the expenditure of \$250,000 or more in state funds must list Department of Commerce on the deed of trust and provide title insurance. Projects that consist of renovations to facilities that are leased or design-only projects are exempt.

## Audit

All capital projects that involve the expenditure of \$100,000 per fiscal year are required to have a financial audit (Yellow Book Audit). This audit must be performed every year in which \$100,000 or more in state funds is spent.

## Reimbursement/Billing Procedures

All capital project reimbursements shall be evidenced by documentation showing the cost has already been paid. The Grantee shall provide copies of the cancelled check or electronic funds transfer (as applicable) confirming payment of each expenditure for the amount of each invoice claimed.

## New LEED Requirements

Most projects are required to apply for LEED silver certification. However renovation projects that involve a new addition to an existing building may not be required for LEED certification. Also, new construction projects under 5,000 square feet are exempt from this requirement (refer to page 9).

### Mailing / street address:

P.O. Box 42525  
906 Columbia Street SW  
Olympia, WA 98504-2525  
Phone: (360)725-3075  
Fax: (360)664-3123

### E-mail:

[capprograms@commerce.wa.gov](mailto:capprograms@commerce.wa.gov)

### Web:

[www.commerce.wa.gov/  
CapitalPrograms](http://www.commerce.wa.gov/CapitalPrograms)

### Listserv:

<http://listserv.wa.gov/archives/capital-programs.html>

### STAFF:

#### Daniel Aarthun

Manager  
(360)725-3007  
[dan.aarthun@commerce.wa.gov](mailto:dan.aarthun@commerce.wa.gov)

#### Michael Kendall

Project Manager  
(360)725-3073  
[mike.kendall@commerce.wa.gov](mailto:mike.kendall@commerce.wa.gov)

#### Sheryl Reed

Project Manager  
(360)725-3074  
[sheryl.reed@commerce.wa.gov](mailto:sheryl.reed@commerce.wa.gov)

#### Beth Prihoda

Contract Specialist  
(360)725-5001  
[beth.prihoda@commerce.wa.gov](mailto:beth.prihoda@commerce.wa.gov)

#### Emily Hafford

Contract Specialist  
(360)725-3021  
[emily.hafford@commerce.wa.gov](mailto:emily.hafford@commerce.wa.gov)

#### Kathy Chance

Project Manager  
(360)725-3076  
[kathy.chance@commerce.wa.gov](mailto:kathy.chance@commerce.wa.gov)

### COMMERCE LEADERSHIP:

#### Rogers Weed

Director

#### Dan McConnon

Community Services & Housing  
Division  
Assistant Director

## WHERE TO FIND IT

### Applications

YRF 2011-2013 application form ..... see website  
Application deadline ..... 2.2 / Page 10

Archeological review ..... 3.8 / Page 14

Change of facility ownership ..... 3.12 / Page 15

Contracting conditions ..... 3.5 / Page 13

Eligibility standards ..... 1.2 / Page 5

### Funds

Administrative fee ..... box / Page 14

Advancing funds ..... 3.2 / Page 13

Availability of funds ..... 3.4 / Page 13

Documenting costs ..... 3.6 / Page 14

Eligible costs ..... 3.13 / Page 15

Ineligible costs ..... 3.14 / Page 15

Matching requirements ..... 3.3 / Page 13

Reappropriations ..... 3.10 / Page 14

Rescinding funds ..... 3.11 / Page 15

in-kind donations ..... 3.3 / Page 13

LEED certification ..... box / Page 9

Prevailing wages ..... 3.7 / Page 14

### Review of applications

Appeals ..... 2.10 / Page 12

YRF Advisory Committee role ..... 2.5 / Page 11

Notification of applicants ..... 2.4 / Page 10

Scoring criteria ..... box / Page 17

Testimony before committee ..... 2.7 / Page 11

Timeline ..... box / Page 10

Staff contacts ..... right column / Page 3

Readiness self-assessment ..... pages 16-17

### Youth Recreational Facilities (YRF)

History of program ..... 1.9 / Page 7

Purpose of program ..... 1.1 / Page 5

*We have a strong commitment to supporting smaller facilities and those serving rural parts of the state. If you aren't sure about whether to apply for a YRF grant, don't feel shy about talking to us. We're here to help you succeed!*

*This publication is available in an alternative format upon request. Events sponsored by Commerce are accessible to persons with disabilities. Accommodations may be arranged with a minimum of 10 working days notice by calling (360)725-3075.*

## **SIX STEPS TO GETTING A GRANT**

### **STEP 1: *Decide whether you are eligible — and ready to apply***

This is a highly competitive grant program, so before starting to write your grant application we strongly encourage you do your homework (see boxes on pages 7 and 12). Also take a look at our timeline for awarding funds to make sure that it fits with your cash-flow needs (see box on Page 10).

### **STEP 2: *Decide whether to seek LEED certification or an exemption***

If you wish to apply for an exemption you can do so at any point between now and when grant applications are due. If you apply for an exemption soon, you can find out whether your request is accepted before deciding whether to prepare a grant application (see Page 9).

### **STEP 3: *Complete your application packet***

Your chances of success in obtaining a grant are heightened by following all instructions for putting your application packet together. You can download an application template from our website ([www.commerce.wa.gov/CapitalPrograms](http://www.commerce.wa.gov/CapitalPrograms)).

### **STEP 4: *Discuss your project with our advisory committee***

Applicants whose projects make it past a preliminary staff review will be invited to testify before the YRF Advisory Committee (see 2.7 on Page 11).

### **STEP 5: *Negotiate a contract***

If the advisory committee recommends your project for funding and it is included in the 2011-2013 Capital Budget signed into law, Commerce Capital Programs will draft a contract with your organization before disbursing the funds. See pages 13-15 for contracting requirements...some of which you should start thinking about now.

### **STEP 6: *Submit reimbursement materials***

This is a reimbursement-style grant. That means no advance payments (see 3.2 on Page 13), but we've worked hard to make the paperwork straightforward. Funds will likely become available by Fall of 2011(see 3.4 on Page 13).

# PART 1: PROGRAM BACKGROUND

## 1.1 Program purpose

This program awards state grants to nonprofit, community-based organizations to defray up to 25 percent of eligible capital costs for the acquisition and/or *major* new construction or renovation of nonresidential projects that provide a youth recreational opportunity supported by a social service or educational component.

**The maximum grant award** for the 2011-2013 Biennium is \$800,000. *There is no minimum grant award amount.* The YRF Advisory Committee, which ranks grant applications, reserves the right to modify the amount of any request for funding.

**Acquisition of bare land** must be accompanied by the construction of a usable facility to be an eligible project.

**YRF is a state program** funded entirely through the sale of state bonds. No federal dollars are involved.

## 1.2 Who may apply

All facilities funded by YRF must meet the following eligibility standards *at the time the application is submitted*:

- be registered in the state of Washington as a nonprofit organization;
- possess a current or advance ruling 501(c)3 Internal Revenue Service registration;
- have a legally constituted board of directors;
- be considered a nonprofit youth organization, which we define as a nonprofit that provides a substantial amount of services to youth (see 1.5 on Page 6 );
- agree to enter the LEED certification process or receive an exemption from us (see Page 9);
- agree to pay state prevailing wages as of the date the budget becomes effective (see 3.7 on Page 14);
- have made substantial progress in a capital fundraising campaign dedicated to the project or have secured all nonstate funding needed to complete the

*YRF has the narrowest eligibility requirements of our three competitive grant programs. The Building Communities Fund program may be an alternative funding source for nonresidential projects with major social /community service components.*

### What constitutes a 'major' project?

All of our competitive grants only fund new construction or renovation that is "major" in scope. We do not consider such a project to be general maintenance and repairs, or Americans with Disabilities Act (ADA) upgrades. *An aggregation of ordinary maintenance items does not constitute a major project, regardless of its cost.*

The installation of an elevator would not be fundable as a stand-alone project. Nor would replacing a roof or installing energy-efficient windows in a smaller building, purchasing bleachers, expanding a parking

lot, or adding a security system. On the other hand, these would be eligible costs if included as part of a larger project.

When drawing a line between a major and minor project, we consider the complexity of the project, e.g., relining an indoor pool might be eligible if it requires expensive retiling. Another factor could be the greater difficulty of funding capital projects in rural parts of the state. That's why we strongly encourage you to contact Commerce Capital Programs staff if you are unsure whether your project is eligible.

*This is not a funding source for family recreation centers, overnight camping facilities, childcare centers, outdoor athletic fields, or general-purpose community centers.*

*\* State agencies may not be a significant beneficiary of the resulting facility. This is because they have greater access to state dollars than local jurisdictions and nonprofits.*

project; and

- have control of the project site via ownership or an executed long-term lease (15 years).

### 1.3 Eligible projects

Projects proposed for funding must:

- be a nonresidential facility (i.e., does not include more than a bed for a night watchman);
- consist of the construction, renovation, or acquisition of a facility that will provide a *major* recreational activity for youth. We define youth as within the K-12 age range (five to 18 years old);
- have an educational or social service program available to youth *at the project site*;
- have *staffed* recreational facilities (e.g., an unattended skateboard park would not be eligible for funding);
- demonstrate that services provided by the facility will be available primarily to youth at times when they are out of school; and
- be available for use by youth year-round (e.g., facilities used primarily during summer are ineligible).

### 1.4 Ineligible projects

Ineligible projects include:

- outdoor athletic facilities such as outdoor swimming pools; soccer, baseball or softball fields; and tennis or basketball courts;
- family recreation centers and other facilities not targeted at youth; and
- community centers, which we define as facilities used for a diverse range of social activities for people of all ages.

The last two examples illustrate how youth recreational activities should generally be the dominant use of the facility, e.g., in terms of square footage,

usage patterns, and/or the presence of specialized equipment and facility design features.

One exception is a mixed-use project that dedicates a discrete portion of the facility to a major youth recreational activity (see 1.6 on Page 7).

### 1.5 Partnerships

Partnerships will be considered, but the nonprofit must be designated as the lead applicant, have control of the project site, and submit the application on behalf of the partnership. The YRF Advisory Committee will consider applications from nonprofit foundations qualified to raise funds for an otherwise ineligible organization.

For example, the applicant could be a foundation working in partnership with a tribe, or a governmental entity such as a school district or a public development authority.\*

*All* partnerships must provide at the time of application a copy of an executed joint-operating agreement that:

- lasts a minimum of 15 years;
- establishes the applicant (the nonprofit youth organization) as possessing substantial authority to manage the facility and programming;
- guarantees the availability of the facility for the proposed activities at times when youth are out of school; and
- contains a contingency plan to address the possibility of dissolution or other change of ownership, with the objective being to protect public funds.

**Nonprofit-public partnerships** can be valuable in developing and sustaining youth recreational facilities, particularly in geographically isolated or economically disadvantaged areas. However, this grant program's legislative intent is to fund nonprofits, which do not have the taxing and bonding author-

ity of governmental entities. Therefore, nonprofit-public partnerships will be assessed for whether their project will primarily benefit the community at large, rather than the participating public agency's clients or students. These partnerships must also demonstrate financial need.

### **1.6 LLCs and nonprofits**

The applicant's facility may be owned by a limited liability corporation (LLC) as long as the nonprofit holds the majority interest (more than 50%) through the duration of a tax credit program.

At the conclusion of the program the facility may be placed in an LLC if it is wholly owned by the nonprofit.

The applicant must be able to demonstrate that it is receiving a significant benefit from the arrangement through a reduction in the capital costs of the facility.

### **1.7 Mixed-use facilities**

A youth recreational facility that is part of a larger, mixed-use project may be eligible for funding. This type of

project is funded at 25 percent of the eligible capital cost of the youth recreation component only.

### **1.8 Are 'seconds' allowed?**

Facilities that have previously received a YRF grant are ineligible for additional funding unless:

- the project's scope of work has significantly changed and YRF funds have not yet been drawn down; or
- what is proposed is a different project, or a discrete new phase of the previous project.

### **1.9 Dates to remember**

The YRF program operates on a biennial (two-year) grant cycle. Grantees cannot begin receiving their funds until September 2011 (see box on Page 10). Applicants should be cautious in using these dates for cash-flow planning purposes (see 3.4 on Page 13). In addition, grantees cannot get access to their funds until all requirements have been met (see 3.5 on Page 13).

*If you are unsure about how any of these rules apply to your specific project, be sure to talk to Commerce Capital Programs staff before submitting an application.*

## **Four ways to do your homework**

1. **Carefully read the program guidelines.** We strongly recommend that you take the applicant readiness self-assessment on pages 16-17.
2. **Attend our workshops.** See back page for information about our grant application workshops.
3. **Contact Commerce Capital Programs staff.** They can give you feedback about your project's potential competitiveness and offer suggestions for developing the best possible application. Email is usually ideal for an initial inquiry; include with your questions a brief (no more than one page) but thorough project summary.
4. **Sign up for our listserv.** You'll get news and advice on applying for all of our competitive grants. Go to: <http://listserv.wa.gov/archives/capital-programs.html>

<b>2009-2011 YRF funded projects</b>		
Allen Place	Pierce	\$800,000
Auburn Boys & Girls Club	King	\$800,000
Central Kitsap Community Campus YMCA	King	\$800,000
Coal Creek Family YMCA	Everett	\$800,000
East Pierce County HOPE Center	Pierce	\$800,000
Highline YMCA	King	\$800,000
Hough Pool Renovation	Clark	\$150,000
Jim Parsley Community Center	Clark	\$800,000
Kitsap Girl Scout Center	Kitsap	\$205,000
Naval Avenue Boys & Girls Club	Kitsap	\$80,000
Toutle River Ranch	Cowlitz	\$360,000
West Sound Teen Center	Kitsap	\$305,000
YMCA Spokane Central	Spokane	\$800,000



## 1.10 High-performance buildings law

The 2005 Washington State Legislature passed a law that may require many of our competitive grant recipients to comply with what has been termed “high-performance” or “green” building standards (RCW 39.35D).

The legislation’s goal is for major capital facilities projects receiving state dollars to be built to the LEED silver standard where “practicable.” LEED (which stands for Leadership in Energy and Environmental Design) is a certification program run by the U.S. Green Building Council.

These building principles offer the most savings when incorporated early in the design process. That’s why ***we strongly encourage you to talk with your architect as soon as possible.***

The first issue you may wish to explore is whether your project is required to meet the LEED silver standard. The law offers two types of exemptions.

### Exemption 1: Facility types

The following types of facilities are exempt:

- Acquisition only, does not include construction or renovation;
- New construction less than 5,000 gross square feet of occupied or conditioned space as defined by the State Energy Code;
- Renovation projects whose costs are less than 50 percent of the facility’s assessed value *and* are less than 5,000 gross square feet of occupied or conditioned space; or

- Facilities such as hospitals; research facilities primarily used for laboratory experimentation, research, or training in research methods; or similar building types.

### Exemption 2: “Not practicable”

Renovation projects that involve a new addition to an existing building may not be required for LEED Certification. We are not permitted to offer this exemption because of cost or timing-related issues.

### Pre-application exemption requests

You don’t need to wait until you turn in a grant application to find out if your project will be exempted. Our website has an exemption request form that you and your architect fill out. We will quickly let you know if your exemption request is approved.

### Visit our web page and talk to us

We’ve created a web page devoted to high-performance building standards. There you’ll find all of the needed forms, sources of technical information, and links to grant opportunities that may help you cover extra up-front costs.

Please remember, costs associated with developing a LEED Silver project, such as review by the U.S. Green Building Council, are considered eligible expenses for reimbursement.

*According to the American Institute of Architects, high-performance buildings are cheaper to operate, save water and energy, and improve worker performance.*

## PART 2: THE REVIEW PROCESS

### 2.1 LEED exemptions

All applicants are required to enter the LEED certification process or get an exemption. You may do the latter before applying for a YRF grant or as part of your application (see 1.6 on Page 7).

### 2.2 Application submissions

Applications must be postmarked or received by Thursday, May 13, 2010 at 5 p.m.\* We prefer that they be mailed rather than hand delivered. Please use the post office box address listed on the front page of these guidelines.

If hand delivered, your application must arrive at our office by 5 p.m. on the above deadline date (our street address is listed on Page 3).

In the interest of fairness, deadlines will be strictly observed and applications received after the deadline will be returned without review. Note that “postmark” refers to a United States Postal Service (USPS) postmark. Ap-

plications sent by facsimile machines (FAX) will not be accepted.

### 2.3 Preliminary review

After the submittal deadline, staff will review applications for eligibility and completeness. Those that are incomplete or do not meet eligibility standards **will not** be forwarded to the YRF Advisory Committee for review.

Qualifying applications may also be ranked by staff using the scoring criteria discussed on Page 17. Due to the large number of applications we receive, Commerce reserves the right to not forward the least competitive proposals to the committee for review.

### 2.4 Applicant notification

After the preliminary review, each applicant will receive written notification from Commerce Capital Programs as to whether their project has been forwarded to the YRF advisory committee.

Successful applicants will receive details about participation in a work

*\* In addition to submitting hard-copy materials, we require that you send us a completed application form as an email attachment. **This is also due Thursday, May 13 at 5 p.m.** For details download the application template, which is posted on our website.*

2011-2013 YRF GRANT DATES	
YRF grant application workshops (west/east)	April 20 & 21, 2010
Applications due (no exceptions)	May 13 2010 at 5 p.m.
Notification of preliminary review results	Late May, 2010
YRF Advisory Committee work session	July 6 and 7, 2010
Recommendations forwarded to governor	September 2010 (estimated)
Governor releases proposed capital budget	December 2010 (estimated)
2011-2013 Capital Budget signed into law	June 2011 (estimated)
Commerce Capital Programs may begin disbursing funds	September 2011 (estimated)
Expiration of funds without legislative action	June 30, 2013

session of the committee (see 2.7 on Page 11). Applicants whose projects are not forwarded will be informed of the reasons in writing, and are encouraged to discuss with our staff how to prepare a more competitive grant for a future funding cycle.

## 2.5 Advisory committee role

The YRF Advisory Committee helps develop program policy, reviews applications, and recommends projects for funding. The committee consists of volunteers from the public and private sectors with demonstrated expertise in funding, administering, or advocating for youth organizations.

The committee includes grant officers from major foundations. The caliber of your application and presentation before the committee could influence your project's success with funding sources beyond our program.

The scoring criteria used by the YRF committee is summarized on Page 17.

## 2.6 Appropriations process

The YRF committee will forward its recommendations, in the form of a prioritized list, to the Commerce director in the summer of 2010. If approved by the director, the list will be included in the agency's 2011-2013 Capital Budget request, which is submitted to the governor's budget office. If approved by the governor, the list will be included in the 2011-2013 Capital Budget request.

The 2011 Legislature will make the final determination as to which projects, if any, receive YRF grants, and the total amount of funds to be provided for the 2011-2013 Biennium. The governor must sign the capital budget before an

appropriation is legally binding (for availability of funds, see 3.4 on Page 13).

## 2.7 Testimony

The YRF Advisory Committee is scheduled to convene a work session in Seattle on Tuesday and Wednesday, July 6 and 7, 2010.

Applicants will be given time to offer testimony about their proposals and answer questions from committee members. You are not required to attend in order to be considered for funding.

The allotted time will range from 10 to 20 minutes, depending on the number of applications forwarded to the committee. **We strongly encourage concise, low-tech presentations with as few presenters, props, and handouts as possible.** You can best respond to any committee concerns about your project by allotting plenty of time for questions. Presenters should have nuts-and-bolts knowledge of the project and the application.

## 2.8 Apply now or wait?

The biennial nature of our funding cycles can make judgments about when to apply for a YRF grant more complex. Commerce Capital Programs staff can help you think through your options.

The applications that rank highest are usually by organizations which have raised upwards of 50 percent of funds needed to complete their project. This is because YRF funds come from the sale of state bonds, and when a grantee does not promptly spend its award, this ties up the state's bonding capacity.

The YRF committee has funded projects that were not as far along in their fundraising if they excelled in other respects. However, an applicant

*The YRF Advisory Committee includes grant officers from major foundations. The caliber of your application and presentation could influence your project's success with funding sources beyond our program.*

*Applicants that rank highest have usually raised more than 50 percent of their project budget. Those less far along in capital campaigns must show evidence of their ability to promptly raise all needed funds.*

*The scope of your project may not be significantly changed once you submit an application. This is one reason why you may wish to wait until the next grant cycle if your project is in an early stage of development.*

that is less far along in its capital campaign needs to show evidence of its ability to promptly raise all needed funds.

Be sure that your project's scope has solidified before you apply. If you are awarded funds, we cannot write a contract that significantly deviates from your application (see 3.1 on Page 13).

## **2.9 Misrepresentation**

Any organization that presents false or misleading information in their application will be disqualified. Such statements can color your organization's reputation not only with Commerce but also with members of our committee who are grant officers for some of the state's largest foundations.

## **2.10 Appeals**

The decisions of Commerce Capital Programs are final and cannot be appealed. However, staff would be happy to assist in strategizing how to develop a more competitive application in the next funding cycle.

## **2.11 Recommendations**

The YRF Advisory Committee's recommendations are based upon the numerical rankings determined by the scoring criteria on Page 17 *and* qualitative factors that may include (but are not limited to) distributing funds as fairly as possible around the state.

As with our other competitive grant programs, YRF applicants who are farther along in their fundraising will tend to do better than those who aren't. At the same time, the YRF committee reserves the right to prioritize projects with less access to alternative sources of funding.

The more complex your project, the more important it is to talk with us before writing your application. As a case in point, partnerships will be considered, but the YRF committee will look at the stability of the relationship, the transparency of the financial arrangements, and the public benefit (see 1.5 on Page 6).

## **Five ways to write an effective application**

1. **Follow the directions.** That means answering the question we asked rather than the one you preferred, and not stapling your materials when we ask for paper clips. When in doubt as to what we want, be sure to ask questions!
2. **More isn't better.** Please don't include in your application any materials not requested. They will be discarded.
3. **Don't apply if you aren't a good fit.** Please don't submit a grant application that clearly doesn't fit the intent of the program.
4. **Don't apply until you are ready.** As discussed in 2.8, carefully think through your timing. Sometimes it is better to wait until the next round.
5. **Think long-term.** Quite a few of our applicants who did not initially receive funding did so in a subsequent round. They were ultimately successful because they took the time to learn more about the nuances of this program.

## PART 3: CONTRACTING SPECIFICS

### 3.1 Funding restrictions

Funds awarded under this program originate from the sale of state capital bonds, and include no federal funds.

We are mindful of the management pressures faced by nonprofits, and strive to administer YRF funds expediently and with a minimum of red tape. We do so within the policies and procedures established by the Legislature, the state Office of Financial Management, the Treasurer and the Office of the Attorney General. We must also comply with federal arbitrage regulations.

YRF awards are funded through an appropriation in the capital budget. A grant can only be spent by the designated organization for costs that fit the scope of work listed in the grant application. In other words, the application becomes a controlling document that guides how a grant can be spent.

### 3.2 Cost reimbursement

Capital budget funds are available on a reimbursement basis only, and cannot be advanced under *any* circumstances. For the purposes of this program, reimbursable costs are those that a grantee has already incurred and paid.

We may reimburse grant recipients for costs incurred and paid prior to the date a contract is executed, and as far back as July 1, 2008. The project start date must be accurately stated in the application in order for us to do so.

### 3.3 Matching funds

YRF grants may be used to pay up to 25 percent of *eligible* project costs (see 3.12, Page 15); the remainder must come from *non-state sources*. Non-

state matching funds may consist of cash on hand, documented pledge commitments, the value of land acquired for the project, and in-kind contributions when properly documented.

Grantees may also include the proceeds of a letter of credit or other binding loan commitment as part of their non-state matching funds. The value of land used as non-state match must be supported by an appraisal performed by a certified professional appraiser.

### 3.4 Availability of funds

Funds are expected to be available in September of the following year, but that can vary depending upon factors such as when the state budget is approved. A contract cannot be written until the grantee has met all funding conditions (see 3.5 below).

Contracts generally take three to four weeks to execute once the grantee provides us with all needed information. Contracts are developed on a first-come, first-served basis.

Due to these uncertainties, grantees are advised to talk with Commerce Capital Programs staff before building state funds into their cash-flow projections.

### 3.5 Contracting conditions

Three requirements must be met before grantees can begin drawing down their grant funds.

■ Grantees must demonstrate in writing the financial capability to complete the project. This generally means that the entire amount of non-state matching funds must have been committed to the project.

*This is a reimbursement-style grant, and you may start drawing down funds only after all other money needed to complete the project has been raised (see 3.5). However, you can receive reimbursement for any eligible costs incurred and paid as far back as July 1, 2008 (see 3.2).*

*Prevailing wages  
are now  
required of all  
construction  
projects funded  
by this grant pro-  
gram as of the  
date the Capital  
Budget becomes  
effective (see  
3.7).*

■ Grantees must provide written evidence of site control by the application deadline, either through outright ownership of the subject property or an executed long-term lease (at least 15 years).

■ The projects of some grantees may be reviewed by the state Dept. of Archeology and Historical Preservation (DAHP). This review must be satisfactorily completed before a contract can be developed (see 3.8).

### **3.6 Documenting expenses**

We reimburse grantees only after receiving copies of the original billing documents (invoices) and cancelled checks or electronic funds transfer (as applicable). In all cases, costs must be documented and auditable.

### **3.7 Prevailing-wage law**

As a result of a recent court ruling, construction projects that receive any of our grants are required to pay state prevailing wages as of the date the Capital budget becomes effective. Construction labor includes landscaping.

The Department of Labor and Industries is the state agency that implements prevailing wage law. For more information, contact Industrial Statistician David Soma at (360)902-5330 or [somd235@LNI.wa.gov](mailto:somd235@LNI.wa.gov)

### **3.8 Archeological review**

Some projects may need to be reviewed for archeological and cultural resources. This is required of projects not undergoing a Section 106 review under the National Historic Preservation Act if the project:

- disturbs ground, and/or
- involves structures more than 50 years old.

Projects that fit these criteria and are recommended for funding by the YRF Advisory Committee will be given further information about the review process.

### **3.9 Reappropriations**

Some grant recipients may not be able to expend all of their funds by the end of the 2011-2013 Biennium (June 30, 2013). Any unexpended funds will lapse unless reappropriated. Although not legally obligated to do so, the Legislature generally reappropriates unspent funds for long-term capital projects such as those funded through YRF, but only once.

### **3.10 Rescinding funds**

We reserve the right to rescind any authorization and reallocate the funds to the next organization on the YRF award list. If this occurs, the organization may reapply for funding in future grant cycles.

### **3.11 Change of ownership**

## **Grants are subject to an administrative fee**

Commerce Capital Programs is authorized to retain up to 3 percent from each award to cover all administration costs (this is our sole source of funding; we receive no state General Fund dollars). For the 2009-2011 Biennium we retained 2.5 percent from competitive grants such as those offered by YRF. As you build your project budget, keep in mind that the net grant amount will be slightly less than the legislative appropriation.

Most of the capital projects constructed with state funds require that the facility or project be held by the contractor for a period of time appropriate to the amount of the state grant (in most cases a minimum of 15 years), and that the facility or project be used for the same purpose expressed in the enabling legislation or contract.

### 3.12 Eligible costs

Capital budget funds may generally be used to pay for the following construction-related expenses incurred as far back as July 1, 2008:

- design, architectural, and engineering work;
- building permits/fees;
- archeological/historical review;
- construction labor and materials;
- demolition/site preparation;
- capitalized equipment;
- information technology infrastructure (cables and wiring);
- construction management (*from external sources only*)\*;
- initial furnishings\*\*;
- landscaping, and
- real property when purchased specifically for the project, and associated costs.\*\*\*

### 3.13 Ineligible costs

\* **Construction management and observation** is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does not include work performed by off-site consultants or consultant organizations, grant writers, project managers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above.

\*\* **Furnishings and equipment** are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

\*\*\* **Costs directly associated with property acquisition** include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses. However, YRF grants cannot reimburse a grantee the market-rate value of an existing reduced-cost lease.

All of our grants are intended to fund bricks and mortar. This is why the following costs are not eligible for reimbursement and *cannot be used to match state funds*:

- internal administrative activities;
- project management (from any sources);
- fundraising activities;
- feasibility studies;
- computers or office equipment;
- rolling stock (such as vehicles);
- lease payments for rental of equipment or facilities;
- mortgage or property leases (including long-term); and
- the moving of equipment, furniture, etc., between facilities.

### 3.14 Loan paydowns

YRF grants *cannot* be used to retire existing debt except when it is directly related to a project being considered for funding in the current grant funding cycle. In other words, a construction or bridge loan is an eligible expense only if it was incurred after July 1, 2008 as part of your project.

**1.1** Is your project operated through a nonprofit organization

*When completing your application, remember that your state match is calculated from total eligible costs, which may differ from your total project costs.*

## PART 4: YRF GRANT APPLICANT READINESS SELF-ASSESSMENT

Step 1 will help you assess whether your project is eligible for a YRF grant. Step 2 is a self-diagnosis exercise. It **cannot** predict how we will rank your project, because that depends on currently unknown variables such as the number and quality of other applications that will be submitted. In addition to the scoring criteria listed in Step 2, the YRF Advisory Committee may also consider other qualitative factors. However, by carefully studying this readiness self-assessment, you can better anticipate the questions that will be asked by our reviewers.

### Step 1: Are you eligible for a YRF grant?

with current 501(c)3 Internal Revenue Service registration?

Yes \_\_\_ Advance ruling \_\_\_ No \_\_\_

Yes \_\_\_ No \_\_\_

(You must enter LEED or have an exemption to be eligible; see Page 9.)

- 1.2 Is your organization also registered in the state of Washington as a nonprofit corporation?

Yes \_\_\_ No \_\_\_

- 1.3 Does the lead applicant have a legally constituted board of directors?

Yes \_\_\_ No \_\_\_

- 1.4 Does the lead applicant possess site control through:

A. ownership of the site? Yes \_\_\_ No \_\_\_

B. a long-term lease (15 years minimum)

Yes \_\_\_ No \_\_\_

(You must say "yes" to one of the above options as of the date you submit the application.)

- 1.5 Has the lead applicant either:

A. secured all funds needed to complete the project, or Yes \_\_\_ No \_\_\_

B. made substantial progress in an active capital fundraising campaign dedicated to the project?

Yes \_\_\_ No \_\_\_

(You must say "yes" to one of the above options as of the date of the application submission.)

- 1.6 Does the project include *major* new construction or renovation? (See box on Page 5)

Yes \_\_\_ No \_\_\_

- 1.7 If an acquisition of bare land, will the project include construction of a facility? (See 1.1 on Page 5)

Yes \_\_\_ No \_\_\_

- 1.8 Is LEED silver standard being sought?

Yes \_\_\_ No \_\_\_

If "no," have you received an exemption from us?

- 1.9 If your project includes any new construction or renovation, will you pay state prevailing wages for all labor costs as of the date the budget becomes effective? (See 3.7 on Page 14)

Yes \_\_\_ No \_\_\_

- 1.10 Will the facility have a major recreational activity for youth? (See 1.3 on Page 6)

Yes \_\_\_ No \_\_\_

- 1.11 Will the completed facility have an education or social service program available on site? (See 1.3 on Page 6)

Yes \_\_\_ No \_\_\_

- 1.12 Will the facility be available primarily to youth at times when they are out of school? (See 1.3 on Page 6)

Yes \_\_\_ No \_\_\_

- 1.13 Will the recreational component be staffed? (See 1.3 on Page 6) Yes \_\_\_ No \_\_\_

- 1.14 Will the facility be available for use by youth year-round? (See 1.3 on Page 6)

Yes \_\_\_ No \_\_\_

- 1.15 Is the project a community center or outdoor athletic facility? These are ineligible (see 1.4 on Page 6).

Yes \_\_\_ No \_\_\_

- 1.16 Does the facility have more than a bed for a night watchman? If yes, this is ineligible (see 1.3 on Page 6).

Yes \_\_\_ No \_\_\_



## Step 2: How competitive is your grant proposal?

The following questions are drawn from the selection criteria used by YRF reviewers to rank eligible applications. Applicants can earn up to 100 regular points.

<b>2.1 POINTS ASSIGNED BY FORMULA</b> <i>(up to 40 points out of a total of 100)</i>	<b>POINTS</b>
a. Percent of project funds raised – multiply it by .25 (up to 25 points)	_____
b. Design work started – if yes, 5 points	_____
c. Professionally prepared <b>fundraising</b> feasibility plan completed – if yes, 5 points	_____
d. Professionally prepared <b>project</b> feasibility study completed – if yes, 5 points	_____
<b>2.2 REVIEW PANEL SCORING CRITERIA</b> <i>(up to 60 out of a total of 100 points)</i>	
a. PROJECT READINESS – <i>Ability to complete the proposed project promptly (up to 15 points).</i> Will your project have a reasonable chance of completion by the biennium's end (June 30, 2013)? How realistic is the fundraising timeline? Is the project free of public debates that could delay it?	_____
b. ORGANIZATIONAL CAPACITY – <i>Ability to effectively run the completed facility (up to 15 points).</i> How strong is your organization's financial and service-delivery track record? What is the average annual attendance at your events? How realistic is your assessment of the financial and managerial challenges of running the completed facility? Have you done an operations (business) plan? If project is a partnership, how stable is it? How transparent is the financial relationship?	_____
c. PROJECT RESULTS – <i>Degree project will increase efficiency/quality of activities (up to 15 points).</i> How will the proposed facility increase the efficiency of your organization in providing services to youth? How will the state's investment in your project be an efficient use of public money? How well will your project serve youth when they are out of school? Does your project place an emphasis on serving economically challenged or otherwise disadvantaged youth?	_____
d. COMMUNITY NEED – <i>Evidence of a clear and compelling community need (up to 10 points).</i> How many alternatives for youth recreation are available in your community? Have you provided evidence to support a clear need for additional youth recreational options?	_____
e. STAKEHOLDER PARTICIPATION – <i>Partnerships with relevant stakeholders (up to 5 points).</i> What is the applicant's demonstrated commitment to building partnerships with other stakeholders relevant to the targeted need (e.g., as expressed by the diversity of the applicant's board of directors)?	_____
	<b>TOTAL</b> <b>POINTS</b>

**What's a competitive score?** *No one can predict that before applications are turned in, but this scoring sheet can help you diagnose the strengths and weaknesses of your project. Once you've read through the guidelines and completed this self-assessment, we would encourage you to talk with Capital Programs staff.*

- **Get your questions answered**
- **Learn from other applicants**
- **Meet Commerce Capital Programs staff**

## AT YOUTH RECREATIONAL FACILITIES GRANT WORKSHOPS

Join us for a grant application workshop. These free workshops — offered in both Eastern and Western Washington — will consist of a brief presentation about the Youth Recreational Facilities (YRF) program, followed by a step-by-step review of the application process, and a question-and-answer period.

### **Western Washington— Workshop (Seattle)**

**Wednesday, April 21, 2010**

**11 a.m.-1 p.m.**

The Seattle Center  
Center House Room H  
305 Harrison Street  
Seattle

#### **For directions & parking information:**

[http://www.seattlecenter.com/Information/  
map.asp](http://www.seattlecenter.com/Information/map.asp)

### **Eastern Washington— Workshop (Spokane)**

**Tuesday, April 20, 2010**

**9 a.m.-12 p.m.**

Spokane Community College  
Building 6 Room 124 A-B  
1810 North Greene Street  
Spokane

\*Contact Capital program staff for parking pass.

#### **For directions & parking information:**

[http://www.scc.spokane.edu/maps/  
campus.html](http://www.scc.spokane.edu/maps/campus.html)

## **Commerce Capital Programs**

**Mailing address:** P.O. Box 42525, Olympia, WA 98504-2525

**Main phone:** (360)725-3075

**Email:** [Capprograms@commerce.wa.gov](mailto:Capprograms@commerce.wa.gov)

**Web:** [www.commerce.wa.gov/CapitalPrograms](http://www.commerce.wa.gov/CapitalPrograms)

**Listserv:** <http://listserv.wa.gov/archives/capital-programs.html>